

**Delegation Order No. 5-1 (formerly DO 11, Rev. 29)**

**Effective Date: 01-25-2005**

**To Accept, Reject, Return, Terminate or Acknowledge Withdrawals of Offers in Compromise**

**Acceptance Authority**

- (1) **Authority:** To accept offers in compromise based on:
  - Doubt as to liability.
- (2) **Delegated to:** SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to Director, Specialty Programs; SB/SE Examination Territory Managers; SB/SE Specialty Programs, including International, Territory Managers (2<sup>nd</sup> Level); SB/SE Technical Services Territory Managers; SB/SE Compliance Services Department Managers; and Appeals Area Directors.
- (3) **Authority:** To accept offers in compromise based on:
  - Effective Tax Administration based on public policy or equity considerations.
- (4) **Delegated to:** SB/SE Director, Collection Policy; SB/SE Director, Examination Policy; SB/SE Collection and Examination Area Directors; SB/SE Director, Specialty Programs; SB/SE Compliance Services Campus Directors (COIC); Appeals Area Directors.
- (5) **Authority:** To accept offers in compromise based on:
  - Effective tax administration based on economic hardship
  - Doubt as to collectibility
  - And, offers involving employees of the Internal Revenue Service
- (6) **Delegated to:** SB/SE Director, Collection Policy; SB/SE Collection Territory Managers (2<sup>nd</sup> Level); SB/SE Compliance Services Department Managers (COIC); Appeals Area Directors
- (7) **Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service based on:
  - Doubt as to collectibility, excluding special circumstances
  - Doubt as to liability, when the amount due (including interest, penalty,

additional amount, or addition to tax) is less than \$100,000, except authority is granted for doubt as to liability of trust fund recovery penalty and personal liability for excise tax, regardless of the amount due

- (8) **Delegated to:** Appeals Team Managers and Team Case Leaders.
- (9) **Authority:** To accept offers in compromise, excluding offers from employees of the Internal Revenue Service, based on:
- Doubt as to collectibility when the assessed liability is less than \$250,000
  - Effective Tax Administration OICs based on economic hardship, and doubt as to collectibility with special circumstances, when the assessed liability is less than \$100,000
  - Doubt as to liability of trust fund recovery penalty and personal liability for excise tax when the liability (including interest, penalty, additional amount, or additional tax) is less than \$100,000
- (10) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group Managers, for their respective cases; SB/SE Compliance Services Offer Examiner Unit Managers (COIC).

#### **Rejection Authority**

- (11) **Authority:** To reject offers in compromise for public policy reasons, or on the basis that the offer is not in the best interests of the government
- (12) **Delegated to:** SB/SE Director, Collection Policy; SB/SE Collection, Examination and Specialty Programs Territory Managers (2nd Level); SB/SE Technical Services Territory Managers; SB/SE Compliance Services Department Managers (COIC); Appeals Area Directors.
- (13) **Authority:** To reject offers in compromise based on:
- Doubt as to liability
- (14) **Delegated to:** SB/SE Director, Collection Policy; SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Compliance Territory Managers (2nd Level); SB/SE Compliance Services Department Managers; SB/SE Technical Services Territory Managers; Appeals Team Managers and Appeals Team Case Leaders.
- (15) **Authority:** To reject offers in compromise, excluding public policy or on the basis that the offer is not in the best interests of the government, based on:

- Effective tax administration
  - Doubt as to collectibility
  - Doubt as to liability of trust fund recovery penalty and personal liability for excise tax
- (16) **Delegated to:** SB/SE Director, Collection Policy; ; SB/SE Director, Examination Policy; SB/SE Chiefs reporting directly to SB/SE Director, Specialty Programs; SB/SE Compliance Group Managers; SB/SE Compliance Services Offer Examiner Unit Managers (COIC); Appeals Team Managers and Appeals Team Case Leaders.

#### **Withdrawal Authority**

- (17) **Authority:** To acknowledge withdrawal of all offers in compromise.
- (18) **Delegated to:** SB/SE Collection, Examination, and Specialty Programs Group Managers, for their respective cases; SB/SE Compliance Services Unit Managers (COIC); Appeals Team Managers and Appeals Team Case Leaders.

#### **Return Authority**

- (19) **Authority:** To return all offers in compromise.
- (20) **Delegated to:** SB/SE Collection, Examination, and Specialty Program Group Managers, for their respective cases; SB/SE Compliance Services Unit Managers (COIC); Appeals Team Managers and Appeals Team Case Leaders.
- (21) **Authority:** To return offers in compromise excluding those based on failure to provide financial information, failure to make required estimated tax payments, or “solely to delay” collection considerations.
- (22) **Delegated to:** Offer in Compromise Specialists; GS-11 Revenue Agent Reviewers; Offer in Compromise Examiners, Offer in Compromise Process Examiners and Journey level SB/SE Compliance Services Tax Examiners

#### **Termination Authority**

- (23) **Authority:** To terminate consideration of any offer in compromise upon the death of a taxpayer.
- (24) **Delegated to:** GS-11 Revenue Agent Reviewers; Offer in Compromise Specialists, Offer in Compromise Examiners, Offer in Compromise

Process Examiners and Journey level SB/SE Compliance Services Tax Examiners; Appeals Team Managers and Appeals Team Case Leaders.

- (25) **Authority:** To terminate a compromise agreement upon a taxpayer's default of the terms of a compromise or the terms of any collateral agreement.
- (26) **Delegated to:** The official who accepted the offer in compromise or their successor; W&I and SB/SE Compliance Services Unit Managers.
- (27) **Redelegation:** The above authorities may not be redelegated.
- (28) **Sources of Authority:** Treasury Order No. 150-09, 26 CFR 301.7122-1, and 26 CFR 301.7701-9.
- (29) To the extent that the authority previously exercised consistent with this order may require ratification; it is hereby affirmed and ratified.
- (30) This order supersedes Delegation Order No. 11 (Rev. 29) that was effective July 29, 2002.
- (31) Signed: Mark E. Matthews, Deputy Commissioner, Services and Enforcement